



King County

**King County Budget Speech for 2009
Executive Kurt Triplett
Monday, September 28, 2009**

Mr. Chair. Honored members of the Council. Assessor Lynn Gering. Superior Court Presiding Judge Bruce Hilyer. Elections Director Sherril Huff. District Court Presiding Judge Barbara Linde. Prosecutor Dan Satterberg. Ladies and gentlemen. People of King County.

Thank you all for coming.

Mr. Chair I am both humbled and proud to stand here and tell you that yesterday I presented to the Council my proposed 2010 budget which totals 4.8 billion dollars overall including 621M dollars in the general fund.

Before I discuss 2010, I must pause and reflect for a moment on 2009. First, I wish to express my deep gratitude to the Council for appointing me as the King County Executive. While it has seldom been easy, it has always been, and remains, a great honor.

Second I wish to thank former King County Executive and now Deputy Secretary of HUD Ron Sims for his leadership, his mentorship and his friendship. Every thing I have done and will do as Executive is shaped in some way by what Ron Sims taught me in our many years of partnership. It has been a special privilege and the highlight of my career to complete his final term in office.

A Ron Sims' budget speech tradition that is my pleasure to continue is to first extend my sincere appreciation to the thousands of men and women who work tirelessly for King County every day. Your dedication

embodies the true spirit of public service. Thank you for protecting the quality of life in this magnificent region and keeping our communities healthy, safe, and strong.

Another Ron Sims' tradition I have the privilege to follow is to honor those who made this budget possible. First, my Cabinet. In a year when the need and purpose of government was often questioned, you reminded us its importance through your leadership and commitment to the public good. In this time of Executive transition and recession you stood by me and stood up for the people of King County. Will my Directors please stand one more time and be recognized? Thank you all.

Next is a remarkable group that toils in obscurity but was critical to assembling one of the most difficult budgets in the County's history; my 7 budget supervisors. Their outstanding talent and dedication to King County government require me to end their anonymity. I ask them to stand as I call their names in alphabetical order, but to please hold your applause until I am finished. They are: Sid Bender who heads the CIP unit; Tricia Davis who leads Physical Environment and Technology; Krista Camenzind who is in charge of Criminal Justice; Helene Ellickson who supervises General Government; Hall Walker who oversees Economic Analysis; Jim Walsh, the keeper of Essbase and leader of the team that assembles the final books; and finally Cindy West, who could not be here today, but who managed perhaps the most complex section of all, Health and Human Services. Their efforts were nothing short of heroic. Please join me in applauding this amazing team. Thank you so much for all your work. I could not have done this without you.

And finally Mr. Chair, words are inadequate to express how much I owe to my Acting Budget Director, Beth Goldberg. It is impossible for anyone who does not work on the 8th floor of the Chinook building to understand how truly stressful this year was. To paraphrase Shakespeare, some are born to budgets and others have budgets thrust upon them. Beth has this budget thrust upon her since the terrifying collapse of Bob Cowan (who is thankfully back with us) and has fearlessly and tirelessly stepped up and accepted every challenge. She balanced a budget during the worst economic downturn since the Great Depression, drafted a

second lifeboat, completed preparations for flood and flu, absorbed 2009 budget cuts, and finished the product 15 days earlier than ever before. Few individuals could have achieved all of this. The only word I can think of is...Exceptional. Beth will you stand? This budget is as much yours as it is mine. Thank you from a grateful Executive.

Ladies and gentleman, there is, however, one Ron Sims' budget speech tradition that I must break. As tempted as I am to do so, I cannot declare this a perfect budget.

I am proud to say this budget is thoughtful, it is measured, it is fiscally responsible, but it is not perfect.

It is not perfect because this is not a budget of **tradition**, but one of **transition**. This budget reflects a transition not just of Executive leadership but a transition toward an uncertain future. We face uncertain revenues as the economy continues to struggle, as the state legislature gears up for another round of deep reductions and as voters face yet another revenue crippling initiative to hamstring government. We face uncertain events such as a pandemic outbreak of the H1N1 virus and flooding in the Green River Valley. This budget of transition was prudently constructed to respond to each of these scenarios.

Faced with such uncertainty I focused on what is certain. I aligned the county's budget to mandated expenditures and state authorized revenue sources. Immediately after my appointment as Executive, I created a document I called "9 for 9 in 2009." Its purpose was to identify for the region the tasks I hoped to achieve during my short time in office. The first and most important of those nine said simply this: "Transmit a balanced budget using state tools while preserving our AAA credit rating."

This was easier said than done. Every state, every city and every county has suffered dramatic revenue losses during this Great Recession. The well documented structural financing gap facing all counties continues to limit our ability to fund the services our people expect. The revenue needs of a modern, urban county of over 1.8 million people were not foreseen nor authorized when the state was created over a century ago.

And now our property taxes are capped by state law at 1%, property values are plummeting due to the economy and our only other revenue source, the sales tax, has fallen by double digits every month in 2009. The result was a 2010 projected deficit of \$56.4 M dollars.

Even so, my proposed budget achieved my goals. Most importantly, it is balanced. It also uses the Mental Illness and Drug Dependency (or MIDD) fund flexibility granted by the state. And it protects both the rainy day fund and the general fund reserves necessary to sustain our AAA credit rating and provide a buffer in the case of catastrophic flood or flu. And it does all of this for less money. A lot less. For the second year in a row, the general fund budget is smaller than the one before it. The budget I submitted yesterday is 621M, down 26M from our 647M adopted budget in 2009.

Eliminating a 56.4 million dollar general fund deficit was one of the most difficult challenges I have faced in my 17 years with King County. There is no perfect way, nor painless way to do so, especially on the heels of the 93M we eliminated in 2009. I set clear priorities and funded them.

The paramount duty of any government is to protect the health and safety of its residents. With great pride I am announcing that my budget fulfills that commitment to the people of King County. It spares the Prosecutor, the Superior and District Courts, Public Defense, the jail and the Sheriff from significant cuts. Combined, the Criminal Justice system budget is less than 1% smaller than it was in 2009.

This budget keeps our residents safe. But it also sustains the critical programs that keep them healthy. We could not avoid the loss of federal and state dollars, but we shielded Public Health from general fund reductions wherever possible. We limited health clinic closures to three. Closing Alder Square and the Kent Clinic saved money and reduced Green River flooding risk. But most staff and programs have been re-assigned to other facilities. The Northshore Clinic will reopen through an innovative public private partnership that saves many services and offers primary care by our partner for the first time on that site.

I am proud to fund these priorities. But preserving these agencies and programs came at a price. I was forced to enact heart-wrenching cuts nearly everywhere else.

To protect as much direct service to the public as possible we started with ourselves. My budget includes unprecedented cuts of 12% to the combined budgets of the Executive Offices. I have eliminated a total of 16 positions and 2.6 million dollars from my own office and the offices of Management and Budget, Strategic Planning and Performance Management and Information Resources Management.

My budget also includes a 10% reduction to the combined offices of the King County Council. If the Council concurs with this proposal it will save the taxpayers over 2.2 million dollars across all funds.

I must be clear with the public. Cuts of this magnitude to the Council and the Executive will have an impact. They will reduce our responsiveness and hamper our ability to oversee the vast and complex government that is King County. Nevertheless I believe these cuts exemplify the necessary leadership by example these times require. Through creativity and collaboration they can be managed.

We did not stop there. We also cut deeply into internal services, slashing 11.4 million from Finance, Human Resources, Information Technology, Payroll, Facilities and other general government agencies.

2010 is also the first year of our newly negotiated benefits package. King County will save \$37M over the next 3 years from this package while still retaining all of the innovations and health care reform programs that have controlled costs, improved employee health and gained national recognition. I want to thank the King County Joint Labor Insurance Management Committee for reaching this landmark agreement earlier this year.

This budget also includes an assumption of \$6.5M of labor savings or operational shut downs in the general fund and another \$13.7 million countywide for 2010. If we cannot soon reach agreement on these savings with our unions, I will be sending to the Council specific

additional reductions for these amounts before the end of October. However, I am hopeful we will find solutions as we did last year to realize these savings in partnership with our employees.

As I announced just last week, I propose to save another 1.5 million of general fund dollars by transitioning King County out of providing animal control and a regional shelter by June 30, 2010.

As important as this work is, providing animal control on contract for 32 cities is not a core business of King County. We can no longer afford to subsidize it, nor can we adequately provide the services without general fund support. We are closing our shelter by November 1st of this year to keep both our staff and the animals safe from the potential flooding of the Green River Valley. This closure provides the opportunity for animal care and animal control to evolve into new systems that works better for the animals, for the employees and for the region. We must seize this opportunity.

And this brings us to the unkindest cuts of all; layoffs, closing parks and reducing human services.

Over 360 positions are eliminated in this budget, after cutting nearly 400 last year. Because we have prudently held vacancies since January, 191 of those positions are empty. However I regret to report that 145 valued King County employees will be laid off and 30 more will have their hours and pay dramatically reduced.

Mothballing King County's 39 urban unincorporated parks allowed me to bundle two years worth of savings and apply \$4.6 million dollars towards the 2010 deficit.

Eliminating all general fund contributions to human services saved over \$11.4 million additional dollars.

Authorizing these reductions were the toughest decisions I made as Executive. I am well aware of the impact these actions have on our communities and that these cuts are coming at a time when people need the services the most. But while these services are essential, they are not

mandated. And counties simply don't have the revenue tools to fund them.

Fortunately, two key strategies allowed me to mitigate these cuts and restore all but \$3.7 million through other funding sources. First, I dedicated all non-General Fund revenues in the Children and Family Services fund entirely to human services programs. Second, through the judicious use of flexible MIDD dollars, I was able to restore \$4.9 million of lost social services funding. I allocated another \$7.7 million of MIDD to buffer the criminal justice and public health programs that would otherwise have been cut. Even with these MIDD reallocations, I am still investing \$41 million dollars in new and expanded MIDD programs in 2010.

I want to thank the state legislature, and particularly Senator Jim Hargrove and Representative Ross Hunter for granting us this MIDD flexibility. Without the \$12.6 million provided by the MIDD supplantation, my 2010 budget would have eliminated our mental health and drug courts and vital social services that keep those who are afflicted with these illnesses out of jail and on a path to a brighter future.

The MIDD flexibility is an invaluable tool. But it is not a long term fix. Over the next three years our ability to use this tool will decline and then expire. We must find new tools if we are to retain a county that is healthy and sustainable.

Mr. Chair, members of the Council, as I propose this balanced budget and these difficult cuts I do not view them simply as programs lost forever to **transition**. Rather, I see them as the opportunity for **transformation**. In this budget I have created pathways to new innovations and new possibilities for everything we eliminated.

Our internal service agency cuts are offset by investments in technology and operational efficiency to improve public access and customer service and improve transparency and accountability, all while keeping King County the responsive, cutting edge government our citizens deserve.

I reserved 3 million dollars to help animal care and control evolve into a new future that protects both the people of region the animals we all care for. The conversation with the cities, employees and community partners about how that future should look is already under way.

My offer to give our 39 urban parks to any city, organization or community group that will maintain them as parks has generated a tremendous response. I expect to announce solutions soon that will keep many of these parks fully open. Included in my budget is 500,000 dollars of one-time money for parks partnerships to facilitate additional transfers. Because these transfers look promising, I have also funded just enough maintenance to avoid fencing off any of the playgrounds. My goal remains to have every park on the list transferred to a new owner and open and available to the public by December 31st.

King County's budget is far greater than simply our general fund. The additional \$4.2 billion dollar budget demonstrates our continued commitment as the region's leader in maintaining and enhancing our quality of life.

I am especially proud that this budget stabilizes Metro Transit, closing a \$213 million dollar revenue gap in a responsible way. It protects as much of the current bus system as possible while also implementing urban partnership service across State Route 520 and 6 Rapid Ride corridors that will serve millions of new bus riders.

Our general fund challenges have not stopped us from investing in the infrastructure necessary for the long term economic future of the region. In 2010 we will allocate over \$800 million dollars for capital projects in Transit, Roads, Solid Waste, Wastewater Treatment, Parks and King County facilities to protect our people, our air, our water and land. We will safeguard our water quality, dispose of our solid waste, offer protection from floods, and improve our regional trail system.

And that summarizes the first and last budget I will submit as Executive. So let us talk candidly about King County's future beyond 2010. A projected 54 million dollar general fund deficit is looming in 2011. Without new revenue, King County cannot close that gap without a

radical dismantling of the criminal justice system or of public health. Last year Ron Sims convened meetings with the Governor, the Speaker of the House and the Senate Majority Leader to plead the case of new revenue for all counties in the State of Washington.

As Ron Sims' Chief of Staff last fall I personally met with over 30 King County legislators explaining the structural deficit all counties face and seeking support for funding tools and flexibility. Some of you participated in that legislative effort.

In this year of Executive transition, with my focus diverted to preparing for Green River flooding, no similar legislative effort has been launched. As my time as Executive comes to an end, the experienced and accomplished leaders of King County assembled in this chamber must take up this fight.

I respectfully suggest the convening of a county elected official summit with the next Executive immediately following the election. The purpose of such a summit would be to seek agreement on a focused strategy for acquiring the necessary revenue and flexibility tools from Olympia in 2010. Success will require a united front from all of you.

I also want to remind the Council and the region that both Councilmember Julia Patterson and I offered potential ballot measures for public health and human services funding this year. If King County is not successful in Olympia, I urge the Council to take up one or both of these measures early in 2010.

If the Council chooses not to, I would encourage public health advocates and human services providers to place a measure on the ballot by initiative. The caring and compassionate voters of King County understand that a just society takes care of the least and the last. Time and time again they have stepped up and provided the resources to help those who need it most. Before we allow cuts from the federal, state and local level to eliminate our safety net, our citizens should be asked whether this is the type of county they wish to see.

Finally, as the Council grapples with this difficult budget, I encourage you not to simply rush to restore. Take the extra time you have and embody the best of your own proud traditions of financial responsibility,

accountability and oversight. Credit for King County's AAA bond ratings belongs as much to this Council as it does the Executive. Continue that fiscal discipline. Retain the emergency reserves. If you restore funding in one place, cut somewhere else. Remember the challenging transitions that face us in 2010 and the \$54M dollar deficit facing you in 2011.

Give the transformations a chance to work.

And so Mr. Chair, members of this Council, I end where I began. This is a sound budget, a balanced budget, but not a perfect budget. While I could not make it perfect, I have strived since my appointment in May to make it perfectly transparent. I have provided this Council with information early and often as we developed our budget proposal. The region may not agree with some aspects of my budget, but my goal was to ensure that no county elected official, no city elected leader and no stakeholder organization was surprised by them.

I want to thank Budget Chair Larry Gossett for his equal commitment to communication throughout this year. He created a spirit of true partnership between the branches in what could otherwise have been a chaotic and acrimonious time. Thank you, Councilmember Gossett.

I pledge that we will continue that transparency and collaboration now that the budget is transmitted. I look forward to working with the Budget Leadership Team and all of you as we move toward final adoption.

Thank you.